

Single-Family Housing

Section 504

Repair Loans and Grants

PROGRAM DESCRIPTION: Low interest home improvement loans and grants, designed for very low-income individuals (50 percent or less of county median income.)

TYPE OF ASSISTANCE: Funds can be used for making basic repairs, installing essential features or to remove health and safety hazards.

ELIGIBILITY REQUIREMENTS: The property must be located in an eligible rural area. The applicant must have a reasonable credit history, own inadequate (but repairable) housing, have a very low adjusted income and unable to obtain credit elsewhere. To qualify for grant funds, the applicant must be 62 years or older and be unable to repay a loan.

FUND AVAILABILITY AND MAXIMUM AMOUNTS: Funding is based upon an annual appropriation. The maximum loan limit at one time is \$20,000. The lifetime grant maximum is \$7,500.

INTEREST RATE: Interest rate is 1% on loans.

TERMS: Loan repayment is based on repayment ability, but cannot exceed 20 years. A three-year grant agreement is required.

COLLATERAL: A mortgage is taken when the loan is \$7,500 or more.

FEES: None.

CREDIT REQUIREMENTS: Reasonable credit history.

CONTACT: Visit your local USDA Rural Development office to fill out an application.